

Marketing mix strategies of bread producers in Kosovo

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Abstract

Marketing is a fundamental or core function of the business which more than any other business function deals with customers and their satisfaction. Creation and implementation of a successful marketing strategy in business is very crucial, especially when we deal with a business such is bread manufacturing. Thus, the purpose of the research was to analyze the development of marketing as an organizational function of bread manufacturers companies in Kosovo, to analyze their marketing strategies and to provide clear recommendations for companies that do not use marketing strategies.

During the research I have find that bread producers do not even have established a marketing department and/or do not have employed a marketing or sales person. Only few companies, three out of fifteen, intend to establish marketing department in the future, which is a sign that bread producers still do not see marketing as core function in their activities. They do think more on production than on sales and marketing. None of the companies have promotional activities regularly and only two of them exhibits regularly on the trade fairs in Kosovo and only one company exhibited abroad.

There should be continuous insistence of manufacturing companies to advance marketing department, creating a special unit of market research and behavior with consumer.

The data for research were collected through questionnaire in fifteen bread manufacturing companies. Methods used for research have been descriptive, comparative, analysis, and synthesis. The research instrument was a questionnaire, the technique has been direct communication and research was conducted between months June up to September 2009.

Key words: bread producers, marketing, strategy, consumer, exhibition, promotion

Introduction

Bread manufacturers in Kosovo, often face the problem of identifying and implementing a sound marketing strategy in the marketing of their products and the business of their companies as a whole. All these are done because of the lack of a marketing department or even an appropriate person who will deal with defining the marketing strategy.

Bread market in Kosovo is one of the most powerful sub-sectors of the food sector in Kosovo. In modern business, there is a need to establish not only strategic marketing approach, but also access marketing strategy aimed at creating marketing strategies, areas which connect marketing strategy in order to establish marketing oriented strategy under the principles of marketing¹.

The current organizational structure of all manufacturers of bread, part of this study, is approximately the same and is shown below in the organizational chart which is presented on the basis of the conversation made with competent persons of bread producers companies (Figure 1).

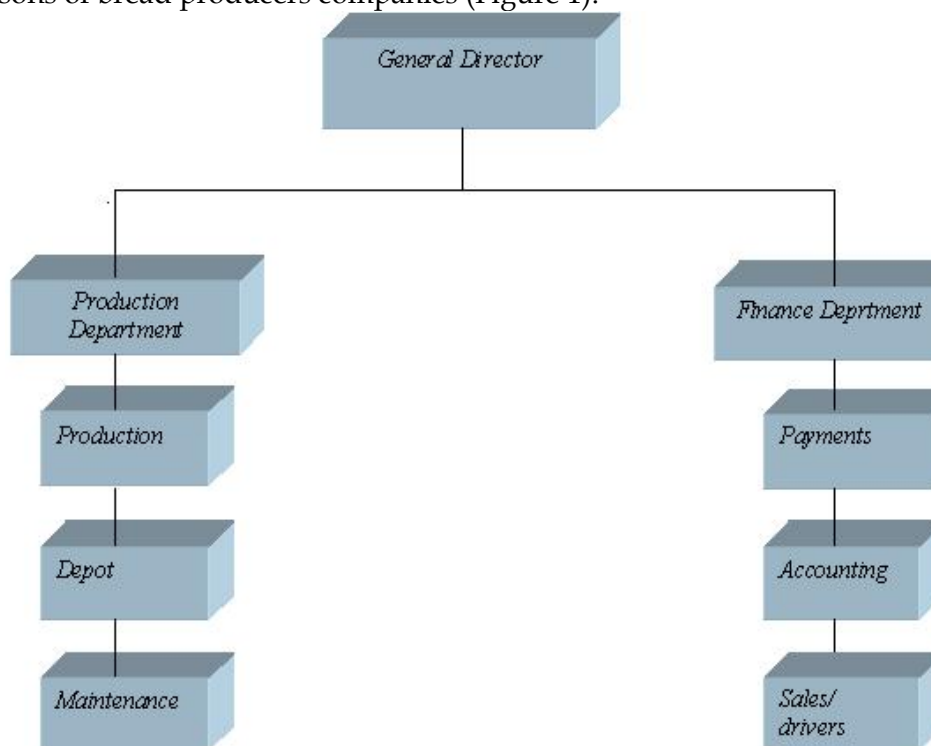


Figure .1 Organizational chart of bread producers

¹ Renko ,Nataša, Strategije Marketinga, Naklada Ljevak, Zagreb 2005, page 11.

From this organizational chart can be seen easily that the bread manufacturing companies have no marketing department. Based on the practices of Western countries that this sector have paid a special significance, which practices should begin to be applied in our country, sector / marketing department plays a crucial role in the companies that produce different types of bread is a determinant of the company's development policies. Such a structure-organizational chart proposed by the authors of this study is shown in Figure 2.

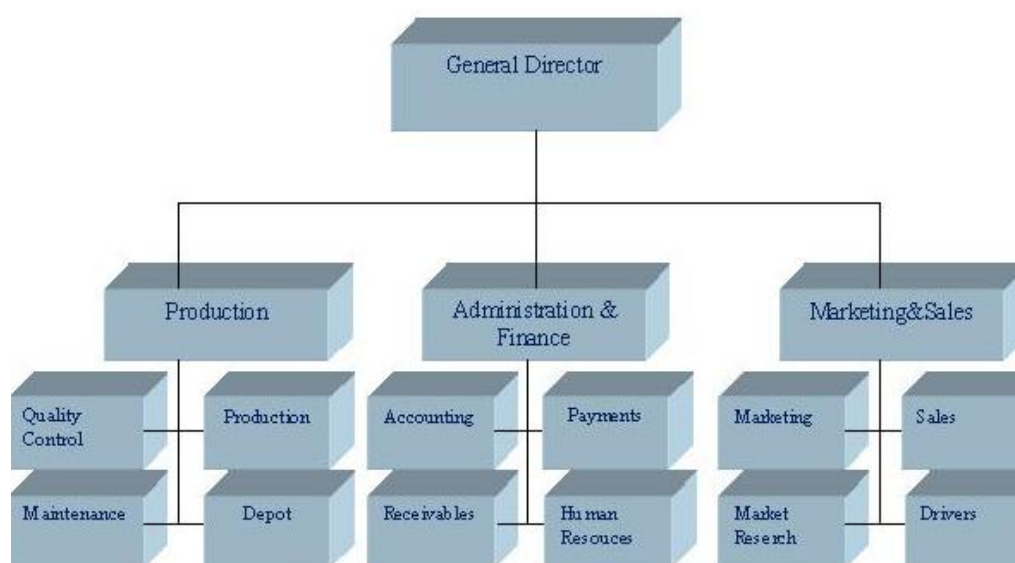


Figure 2. Proposed organisational chart to bread producers

From this organizational chart we could note that the sales and marketing department are common / as a department, which justifies the time limit and development phase of bread manufacturing companies in Kosovo and has been accepted by companies as a good solution for functioning of their activities in future.

1. Marketing, definition and evolution

The meaning of the word 'marketing' can be found from its Anglo-Saxon etymology. Professor Jakupi² says the word marketing consists of two words: Market + Ing. The word 'market' means the market and the suffix 'Ing' first word gives the sense of the process, action or meeting to win.

² Jakupi, Ali, *Bazat e Marketingut*. Prishtinë, Kosovë: Universiteti i Prishtinës, 2000. page 7

To better understand marketing definition, it is need to present definition by well-known author Philip Kotler, who says:

"Marketing is social and managerial process whereby individuals and groups obtain what they need and want through creating and exchanging products and value with others "³.

1.1. Marketing concept

The term "marketing concept" summed business philosophy of the company, institution or individual that characterizes the concentration, or focus on the customer, expressed through constant effort and harmonious whole enterprise in the process of meeting the needs and desires of consumers and its objectives of enterprise⁴.

In 1954, Peter Drucker pointed out very clearly the role of marketing for the company's success. Even in today's time on marketing his concept has value and viability of uncontested:

"If we want to know what our job is, then we should start with the mission ... There is only one correct definition of the mission of the enterprise: customer satisfaction. What the company intends to produce is not of primary importance-especially not to the future and its success. Crucial is that the customer intends to buy or what represents value-this defines what is your enterprise, which produce it and whether it will prosper it. "⁵

2. Marketing activities of bread producers in Kosovo

Some of the marketing elements that apply to manufacturers of bread in Kosovo, stating that the lack of marketing department in these companies is evident, can be explained as follows:

2.1. Market research is usually done by the driver and/or owner of the company on the basis of discussions with retailers on what should be produced, which items should be removed from production for the day or certain time, who are the company's competitors, what risks exists to their company products, etc.

2.2. Market segmentation is mainly based on geographical variables/areas of selling their products, and also demographic variables.

2.3. Positioning- Bread of Sheki Commerce is known in the market as "state bread" referring to the bread quality, accurate weight` and with fewer additives, this bread which was previously produced by state-owned

³ Kotler. Ph. and Amstrong G. Principles of marketing, Ninth Edition, Prentice Hall International, Inc, New Jersey, USA, 2001, 6

⁴ Lišanin, M.T.: Bankarski marketing, Informator, Zagreb, 1997, 8.

⁵ Drucker, P.: The Practice of Management, Harper & Row, New York, 1954, citat në faqën 37 të librit Evans, J.R.& Berman, B.: Marketing, New York, 1987

companies, so as such a bread is required in the market and is positioned very well.

2.4. Marketing mix development in bread producer companies

When taking place on competitive marketing strategy, company is ready to start detailed planning of the marketing mix, one of the main concepts and the most important modern marketing. Marketing mix is defined as the set of instruments and controlled marketing tactic, which combines all elements in order to meet the needs and satisfaction of its customers. Marketing mix consists of everything what the company can do to influence the growth of demand for its products. Multiple options can be grouped into four variables or instruments known as the "4 Ps": Product, Price, Place and Promotion.

Bread producers in Kosovo has offered only specific types of bread to their customers, they do apply similar prices using the price fighting strategy as their winning strategy, promoting their products mainly by putting stickers on their transportation vehicles and distribution channels they use are mainly wholesale channels, meaning they sell bread to retail shops and groceries.

3. Research methodology

The object of the research was bread manufacturing companies in Kosovo: Sheki Commerce, Ko-Bake, Mullisi, Kosovarja, bakery in Mitrovica and other six bread producers. Initially a questionnaire based survey was prepared and the results of which are part of this paper. Sheki Commerce bread factory is chosen as the base model, thus, the marketing strategies are compared between Sheki Commerce and other companies used in this research paper.

Main methods which are used in this paper are: descriptive method, comparison method, analyses method, synthesis method

Survey questionnaire was used as the main research instrument while direct contact with company management was made at the beginning of the research.

The survey was conducted between June and September 2009.

4. Results

The first question raised in the questionnaire: Do you have sales or marketing department as separated in your company? All surveyed companies responded negatively, i.e. NO and it turns out that the bread manufacturing companies still in Kosovo do not treat marketing as a key function within the company functions (Table 1).

Table 1 Do you have established department of marketing in your company?

a) Yes																0
b) No	x	x	x	X	x	x	x	x	x	x	x	x	x	X	x	15
Total																15

When asked whether you have a person assigned to marketing and / or sale, of the 15 respondents, 12 of them answered NO or percentage 80% and 3 companies have stated that they have persons engaged for sale (20%) within their company, but that these persons are acting within the department of administration and finance, not as separate., (Table 2)

Table 2 Do you have specific person for marketing or sales?

[illegible]

Neglect of the role of marketing and not implementation of key elements such as promotion, manufacturers of bread is attested to in the question of promotional activities in order to promote products or company. None of these companies do not regularly have promotional activities. Out of the 15 companies, 9 of them (60%) stated that they do not have regularly promotional activities, stating that the quality of their products is the best promoter activity, while 6 companies (40%) stated that they sometimes make promotional activities organize an event which promote their products their company (Table 3)

Table 3 Do you organize promotional activities to promote your company?

[illegible]

The next question, do you expose in trade fairs, has also shown that responses to this question show a not very busy marketing activities of these companies. Even 6 companies (38%) stated that they were never exposed and do not expose either the international or local fairs. 8 of the companies (43%) state that they sometimes exhibit at local fairs, 2 companies out of 15 respondents, (13%) reported that they exhibit regularly in local fairs, and one company of respondents (Sheki Commerce - Prishtina) stated that sometimes also participated in fairs abroad, mainly in Albania and in Macedonia twice (Table 4).

Table 4. Do you exhibit on trade fairs?

a) Yes, in domestic	x		x													2
b) No		x				x	x					x	x	x		6
c) Sometime				x	x			x	x	x	x				x	7
d) Yes, abroad also	x															1
Total																16

Last question from the questionnaire was derived as an idea to get a response from surveyed companies if they think that in the near future will establish marketing or sales department within the company, because the preliminary answers from questions have been as interesting as depressive on the establishment of the department of marketing and/or sales and therefore clearly a positive response came from only 3 companies (20%), No answer came from 11 companies or 73% of them, which continues to be a concern for the future and with this they prove that they will continue to further imitate market leaders to base their actions on the "movements" of the market leaders. Only one company (7%) stated that the department will establish if it competition do it. (Table 5).

Table 5 Do you intend to establish department of marketing/sales as separated department?

a) Yes	x								x					x		3
b) No		x	x	x	x	x	x	x		x	x	x	x			11
c) Maybe																0
d) Yes, if competition								x								1
Total																15

5. Discussion

During these years there hasn't been done any research of this subject for Kosova bread producers which could be compared with this research paper and would be easier for discussion. Different strategies have been proposed from different authors on strategies. Thus, analyzing the essence of strategy would be impossible without mentioning Michael Porter⁶ as the main contributor of strategy who said that the essence of strategy is the choice to realize specific group of our activities different from our rivals, by getting unique positions on specific situations. This explains how our bread producers should deal in the future with their marketing strategies. They should position

⁶ Porter, E. Michael: **What is Strategy**, Harvard Business Review, Boston, USA, 2001, 68

themselves differently and uniquely into the market, through developing new products or adapting existing products toward the market needs, developing new markets and having better idea on the matrix product/ markets. This strategy includes selection of specific markets and obtaining of these markets through the program called marketing mix⁷. Other useful marketing strategy of bread manufacturers would be to get into the niche markets as an opportunity that gives them a comparative advantage and leads them toward making better distribution channels and closer to customers. I believe strongly, those upcoming years, bread producers in Kosova will follow recommendations derived from this paper which will make them to think on marketing way of doing business and not on production way, because today is very easy to produce but very hard to sell, to get the market for products or services.

Recommendations

Bread manufacturers in Kosovo need to make radical changes in their activities. Some of the recommendations arising from the study made can be summarized in the following points

- To establish the department of marketing and / or sales within their companies,
- To constantly care on promotion of products and/or their company through various forms of promotion and advertising
- To avoid as much as it is possible the fight with prices and base more on product differentiation and the company compared to the competition
- To get the business dare to target markets of the region based on the quality of their products.

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⁷ Elmazi Liljana, *Strategjia Marketing*, Botimet Kumi, Tiranë, 2010, 49